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POLICY

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GAIN Report Number:

Nicaragua

Post: Managua

Import Duty Decrease for Beans

Report Categories:

Trade Policy Monitoring

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Report Highlights:

On September 10, 2010, the Ministry of Trade (MIFIC) decreased to zero percent the import duty for red beans (0713.32.00.00). Subsequently, on September 20, 2010, MIFIC also decreased to zero percent the import duty for other bean varieties (0713.33.90.00). The import duty decrease for both tariff lines is effective through November 31, 2010.

General Information:

Nicaragua is experiencing high precipitation leading to flooding in bean producing areas. The Ministry of Agriculture and Forestry (MAGFOR) has not issued official estimates on the damage to the current bean crop. However, reliable sources state that about 40% of the first bean harvest has been lost due to heavy precipitation, but the third and last harvest, *apante*, is expected to produce a high yield due to the remaining humidity in the soil. Usually, the first, second and third bean harvest produce 20%, 30% and 50%, respectively, of the overall bean production.

The Ortega Administration has addressed the problem by decreasing to zero percent the import duties for red and other bean varieties. On September 10, 2010, the Ministry of Trade (MIFIC) seeking a solution to mitigate increasing bean prices decreased to zero percent the import duty for red beans (0713.32.00.00). Subsequently, on September 20, 2010, MIFIC also decreased to zero percent the import duty for other bean varieties (0713.33.90.00). The import duty decrease for both tariff lines is effective through November 31, 2010. Importers may benefit from the zero duty for beans on a first come-first served basis.

Table 1. Nicaraguan Bean Exports

2007		2008		2009	
MT	FOB \$ Value	MT	FOB \$ Value	MT	FOB \$ Value
53,838	40,328,296	59,056	81,681,417	62,959	61,926,831

The retail price for red beans has increased from \$0.56/lb to \$0.93/lb. Consumers claim that local supermarkets do not carry red beans on their shelves and have been forced to buy beans in more informal markets.

Importers have requested U.S. bean supplier information to explore business opportunities. Agricorp, a large staple grain importer, is already outsourcing the import of over 2,000 MT of U.S. beans.